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Cc:

Subject: RE: Question re: statutes for TEFRA case

1. A 743(b) election is partnership item. Treas. Reg. 301.6231(a)(3)-1(a)(3).
2. The statute extension at the source partnership level applies to all tier and indirect partners.
3. Once the partnership item is determined, inconsistent treatment of this item in tiers below can be assessed as a computational adjustment. See I.R.C. 6231(a)(6)(last sentence).
4. The subsequent dissolution of the partnership has no effect on the TEFRA proceedings for the year in which it was a partnership. See *Chef's Choice v. Commissioner*. A TEFRA proceeding is analogous to a class action of the partners for the year in issue and the TMP is the agent for the partners, not the partnership. So as long as the TMP did not dissolve, it can sign a Form 2848. Only partners for the year in issue can sign the appropriate forms 870.